Committee for restructuring of State Finance Corporations

1009. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have asked the State Governments to restructure State Finance Corporations;

(b) if so, the details thereof;

(c) whether financial provisions are being made for restructuring process;

(d) if so, the details thereof;

(e) whether any committee has been set up for suggesting means for restructuring; and

(f) if so, the main recommendations of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) to (d) Does not arise.

(e) Government of India had constituted a committee under Chairmanship of Shri S.H. Khan the then Chairman & Managing Director of Industrial Development Bank of India (IDBI) The committee has since submitted its report.

(f) The committee *inter-alia* suggested wide ranging amendments in the State Financial Corporations Act, 1951 in areas such as size of share capital, shareholding pattern, borrowings, acceptance of deposits, investments, limit of accommodation, financing of additional/new activities, composition of Board of Directors and appointment of Chief Executives of SFC. The State Financial Corporations (Amendment) Bill, 2000 has been introduced on 31.7.2000 in the Lok Sabha to give effect to the above amendments.